

MINUTES

MONTANA SENATE 58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN BOB DEPRATU**, on March 31, 2003 at 8:08 A.M., in Room 405 Capitol.

ROLL CALL

Members Present:

Sen. Bob DePratu, Chairman (R)
Sen. Bob Story Jr., Vice Chairman (R)
Sen. Jerry W. Black (R)
Sen. John C. Bohlinger (R)
Sen. Jon Ellingson (D)
Sen. Jim Elliott (D)
Sen. Bill Glaser (R)
Sen. Walter McNutt (R)
Sen. Mike Taylor (R)
Sen. Ken Toole (D)

Members Excused: Sen. Dan Harrington (D)

Members Absent: None.

Staff Present: Lee Heiman, Legislative Branch
Shirley Herrin, Committee Secretary

Video-taped Committee: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. A video-taped recording of the meeting is available from the Montana Historical Society.

Committee Business Summary:

Hearing & Date Posted: SB 484, 3/28/2003; SB 487,
3/28/2003; SB 486, 3/28/2003
Executive Action: SB 475, HB 604, SB 484
SB 477 Indefinitely Postponed
SB 482 Indefinitely Postponed

EXECUTIVE ACTION ON SB 477

8:09 **Motion:** SEN. JIM ELLIOTT moved that SB 477 DO PASS. He then moved amendments SB047701.alh **EXHIBIT**(tas68a01). Lee Heiman addressed the amendments. **Vote:** Motion on the amendments carried unanimously.

8:10 **Motion/Vote:** SEN. ELLIOTT moved that SB 477 DO PASS AS AMENDED. Motion failed 5-6 with BOHLINGER, DEPRATU, GLASER, MCNUTT, STORY, and TAYLOR voting no. Roll Call Vote No. 1. **Motion/Vote:** SEN. ELLIOTT moved that SB 477 BE INDEFINITELY POSTPONED AND THE VOTE REVERSED. Motion carried with BLACK, ELLINGSON, ELLIOTT AND TOOLE voting no. HARRINGTON voted no by proxy.

EXECUTIVE ACTION ON SB 482

8:23 SEN. MIKE TAYLOR moved SB 484 DO PASS.

Discussion:

8:24 Begin
8:29 Ended
5 min Time elapsed.

8:29 **Substitute Motion/Vote:** SEN. TAYLOR made a substitute motion that SB 477 BE INDEFINITELY POSTPONED. Substitute motion carried unanimously. Roll Call Vote No. 2. HARRINGTON voted by proxy.

CHAIRMAN DEPRATU called for a short recess.

EXECUTIVE ACTION ON SB 475

8:41 **Motion/Vote:** SEN. STORY moved that SB 475 DO PASS. Motion carried 6-5 with BOHLINGER, ELLINGSON, STORY, TAYLOR, and TOOLE voting aye. HARRINGTON voted aye by proxy. Roll Call Vote No. 3.

EXECUTIVE ACTION ON HB 452

8:48 **Motion:** SEN. ELLIOTT moved that HB 452 BE CONCURRED IN.

Discussion:

8:49 Begin - Terry Johnson, Legislative Fiscal Division
presented a flow chart. **EXHIBIT(tas68a02)**
8:49 **REP. HOLLY RASER** further explained the flow chart.
9:01 Ended
12 min Time elapsed.

CHAIRMAN DEPRATU announced they would recess the action on HB 452 until they received additional information tomorrow.

HEARING ON SB 484

Opening Statement by Sponsor:

9:04 **SEN. JEFF MANGAN, SD 23, Great Falls and Black Eagle**
"Empowerment zone financing act".

Proponents' Testimony:

9:14 Gordon Morris, MACo
9:15 Alec Hansen, MT League of Cities and Towns. He
requested permission to leave the hearing. **SEN. STORY**
questioned him prior to his leaving.
9:17 Ronda Carpenter Great Falls Chamber of Commerce

Opponents' Testimony: None

Informational Witnesses:

9:19 Gordy Higgins, Department of Labor

Questions from Committee Members and Responses:

9:20 Begin
9:28 Ended
8 min Time elapsed.

Closing by Sponsor:

9:28 **SEN. MANGAN** closed on SB 484.

HEARING ON SB 487

Opening Statement by Sponsor:

9:29 **SEN. GERALD PEASE, SD 3, Lodge Grass** "Revise laws
related to wind energy taxation and economic
development".

Proponents' Testimony: None

Opponents' Testimony: None

Questions from Committee Members and Responses:

9:33 Begin
9:42 Ended
9 min Time elapsed.

Closing by Sponsor:

9:42 **SEN. PEASE** closed on SB 487.

CHAIRMAN DEPRATU called a short recess.

HEARING ON SB 486

Opening Statement by Sponsor:

9:57 **SEN. JIM ELLIOTT, SD 36, Trout Creek, "Franchise tax on
assets of large corporations". EXHIBIT(tas68a03)
EXHIBIT(tas68a04)**

Proponents' Testimony: None

Opponents' Testimony:

10:09 Jim Mockler, Executive Director, MT Coal Council
10:11 Haley Beaudry, Columbia Falls Aluminum
10:12 Mary Whittinghill, MT Taxpayers Association. Ms.
Whittinghill stated that Webb Brown, MT Chamber of
Commerce, and Cory Swanson, Plum Creek Lumber, wished
to go on record as opponents of SB 486.
10:14 John Fitzpatrick, NorthWestern Energy
10:15 Brad Griffin, MT Retailers Assoc.
10:15 Elaine Sliter, MT Soft Drink Assoc.
10:16 Riley Johnson, Air Transport Assoc. of America

Questions from Committee Members and Responses:

10:16 Begin
10:17 Shona McHugh, Dept. of Revenue, responded to questions
from **SEN. STORY**.
10:26 Ended
10 min Time elapsed.

Closing by Sponsor:

10:26 **SEN. ELLIOTT** closed on SB 486. **EXHIBIT(tas68a05)**

EXECUTIVE ACTION ON HB 539

10:37 **Motion:** **SEN. BOHLINGER** moved that HB 539 BE CONCURRED
IN and addressed the bill. **SEN. STORY** asked Lee Heiman

about an amendment. **SEN. BOHLINGER** withdrew his motion to allow Lee Heiman time to prepare an amendment.

EXECUTIVE ACTION ON HB 604

10:42 **Motion:** **SEN. JERRY BLACK** moved that HB 604 BE CONCURRED IN. He then moved then moved the amendments HB060401.agp **EXHIBIT** (tas68a06). Lee Heiman addressed the amendments.

Discussion:

10:43 Begin
10:47 Ended
4 min Time elapsed.

10:47 The motion on the amendments failed 9-2 with BLACK and ELLIOTT voting aye. HARRINGTON and MCNUTT voted no by proxy.

10:48 **SEN. STORY** moved amendments HB060403.aem. The motion carried unanimously.

10:50 **Motion/Vote:** **SEN. STORY** moved that HB 604 BE CONCURRED IN AS AMENDED. Motion carried 6-5 with BLACK, DEPRATU, GLASER and TAYLOR voting no. HARRINGTON voted aye by proxy and MCNUTT voted no by proxy.

EXECUTIVE ACTION ON SB 484

10:54 **Motion/Vote:** **SEN. TAYLOR** moved that SB 484 DO PASS. He then moved a conceptual amendment to strike "1000 persons" on page 3, line 19 and also to add the word "and" on page 2, end of line 20 and page 3, end of line 4. The motion carried unanimously with HARRINGTON and MCNUTT voting by proxy.

10:58 **Motion/Vote:** **SEN. STORY** moved a conceptual amendment that would remove property tax millage from the bill. The motion carried unanimously with HARRINGTON and MCNUTT voting by proxy.

11:00 **Motion/Vote:** **SEN. STORY** moved another conceptual amendment that would prevent the practice of double dipping. The motion carried unanimously with HARRINGTON and MCNUTT voting by proxy.

11:01 The committee discussed another potential conceptual amendment, but decided to leave subsection one as it currently reads.

11:04 **Motion/Vote: SEN. TAYLOR moved that SB 484 DO PASS AS AMENDED. Motion carried 8-3 with ELLIOTT and GLASER voting no and MCNUTT voting no by proxy.**

CHAIRMAN DEPRATU announced the committee would be hearing HB 721 and SB 488 on Tuesday, April 1, 2003 and would take up Executive Action on SB 471, SB 472, SB 486 and SB 487.

ADJOURNMENT

Adjournment: 11:10 A.M.

SEN. BOB DEPRATU, Chairman

SHIRLEY HERRIN, Secretary

BD/SH

EXHIBIT (tas68aad)